Billing Code: 3410-30-P

## **DEPARTMENT OF AGRICULTURE**

#### **Food and Nutrition Service**

### **Child Nutrition Programs - Income Eligibility Guidelines**

**AGENCY:** Food and Nutrition Service, USDA.

**ACTION:** Notice

SUMMARY: This Notice announces the Department's annual adjustments to the Income Eligibility Guidelines to be used in determining eligibility for free and reduced price meals and free milk for the period from July 1, 2012 through June 30, 2013. These guidelines are used by schools, institutions, and facilities participating in the National School Lunch Program (and Commodity School Program), School Breakfast Program, Special Milk Program for Children, Child and Adult Care Food Program and Summer Food Service Program. The annual adjustments are required by section 9 of the Richard B. Russell National School Lunch Act. The guidelines are intended to direct benefits to those children most in need and are revised annually to account for changes in the Consumer Price Index.

**DATES:** Effective Date: July 1, 2012.

**FOR FURTHER INFORMATION CONTACT:** William Wagoner, Supervisory Program Analyst, School Programs Section, Child Nutrition Division, Food and Nutrition Service (FNS), USDA, Alexandria, Virginia 22302, or by phone at (703) 305-2590.

#### **SUPPLEMENTARY INFORMATION:**

This action is not a rule as defined by the Regulatory Flexibility Act (5 U.S.C. 601-612)

and thus is exempt from the provisions of that Act.

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), no recordkeeping or reporting requirements have been included that are subject to approval from the Office of Management and Budget.

This notice has been determined to be not significant and was reviewed by the Office of Management and Budget in conformance with Executive Order 12866.

The affected programs are listed in the Catalog of Federal Domestic Assistance under No. 10.553, No. 10.555, No. 10.556, No. 10.558 and No. 10.559 and are subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR Part 3015, Subpart V, and the final rule related notice published at 48 FR 29114, June 24, 1983.)

# **Background**

Pursuant to sections 9(b)(1) and 17(c)(4) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(1) and 42 U.S.C. 1766(c)(4)), and sections 3(a)(6) and 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(6) and 1773(e)(1)(A)), the Department annually issues the Income Eligibility Guidelines for free and reduced price meals for the National School Lunch Program (7 CFR Part 210), the Commodity School Program (7 CFR Part 210), School Breakfast Program (7 CFR Part 220), Summer Food Service Program (7 CFR Part 225) and Child and Adult Care Food Program (7 CFR Part 226) and the guidelines for free milk in the Special Milk Program for Children (7 CFR Part 215). These eligibility guidelines are based on the Federal income poverty guidelines and are stated by household size. The guidelines are used to determine eligibility for free and reduced price meals and free milk in accordance with applicable program rules.

## **Definition of Income**

In accordance with the Department's policy as provided in the Food and Nutrition Service publication Eligibility Manual for School Meals, "income," as the term is used in this Notice, means income before any deductions such as income taxes, Social Security taxes, insurance premiums, charitable contributions and bonds. It includes the following: (1) monetary compensation for services, including wages, salary, commissions or fees; (2) net income from nonfarm self-employment; (3) net income from farm self-employment; (4) Social Security; (5) dividends or interest on savings or bonds or income from estates or trusts; (6) net rental income; (7) public assistance or welfare payments; (8) unemployment compensation; (9) government civilian employee or military retirement, or pensions or veterans payments; (10) private pensions or annuities; (11) alimony or child support payments; (12) regular contributions from persons not living in the household; (13) net royalties; and (14) other cash income. Other cash income would include cash amounts received or withdrawn from any source including savings, investments, trust accounts and other resources that would be available to pay the price of a child's meal.

"Income," as the term is used in this Notice, does <u>not</u> include any income or benefits received under any Federal programs that are excluded from consideration as income by any statutory prohibition. Furthermore, the value of meals or milk to children shall not be considered as income to their households for other benefit programs in accordance with the prohibitions in section 12(e) of the Richard B. Russell National School Lunch Act and section 11(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1760(e) and 1780(b)).

# The Income Eligibility Guidelines

The following are the Income Eligibility Guidelines to be effective from July 1, 2012

through June 30, 2013. The Department's guidelines for free meals and milk and reduced price meals were obtained by multiplying the year 2012 Federal income poverty guidelines by 1.30 and 1.85, respectively, and by rounding the result upward to the next whole dollar. This Notice displays only the annual Federal poverty guidelines issued by the Department of Health and Human Services because the monthly and weekly Federal poverty guidelines are not used to determine the Income Eligibility Guidelines. The chart details the free and reduced price eligibility criteria for monthly income, income received twice monthly (24 payments per year), income received every two weeks (26 payments per year) and weekly income.

Income calculations are made based on the following formulas: Monthly income is calculated by dividing the annual income by 12; twice monthly income is computed by dividing annual income by 24; income received every two weeks is calculated by dividing annual income by 26; and weekly income is computed by dividing annual income by 52. All numbers are rounded upward to the next whole dollar. The numbers reflected in this notice for a family of four in the 48 contiguous states, the District of Columbia, Guam and the territories represent an increase of 3.1% over last year's level for a family of the same size.

		INCOME ELIGIBILITY GUIDELINES										
	Effective from					July 1, 2012	to	June 30, 20	13			
	FEDERAL POVERTY											
	GUIDELINES		REDUCED PRICE MEALS - 185 %					FREE MEALS - 130 %				
HOUSEHOLD				-	EVERY TWO				-	EVERY TWO		
SIZE	ANNUAL	ANNUAL	MONTHLY	MONTH	WEEKS	WEEKLY	ANNUAL	MONTHLY	MONTH	WEEKS	WEEKLY	
	48	8 CONTIGUOUS	,	STRICT OF	COLUMBIA, G	SUAM, AND T	ERRIT ORIES	;				
1	11,170	20,665	1,723	862	795		14,521		606			
2	15,130	27,991	2,333	1,167	1,077	539	19,669	1,640	820	757	379	
3	19,090	35,317	2,944	1,472	1,359	680	24,817		1,035	955		
4	23,050	42,643	3,554	1,777	1,641	821	29,965	2,498	1,249	1,153	57	
5	27,010	49,969	4,165	2,083	1,922	961	35,113	2,927	1,464	1,351	676	
6	30,970	57,295	4,775	2,388	2,204	1,102	40,261	3,356	1,678	1,549		
7	34,930	64,621	5,386	2,693	2,486	1,243	45,409	3,785	1,893	1,747	874	
8	38,890	71,947	5,996	2,998	2,768	1,384	50,557	4,214	2,107	1,945	973	
For each add'I family												
member, add	3,960	7,326	611	306	282	141	5,148	429	215	198	99	
	•	•	•	ALAS	KA .					•	•	
1	13,970	25,845	2,154	1,077	995	498	18,161	1,514	757	699	350	
2	18,920	35,002	2,917	1,459	1,347	674	24,596	2,050	1,025	946	473	
3	23,870	44,160	3,680	1,840	1,699	850	31,031	2,586	1,293	1,194	597	
4	28,820	53,317	4,444	2,222	2,051	1,026	37,466	3,123	1,562	1,441	721	
5	33,770	62,475	5,207	2,604	2,403	1,202	43,901	3,659	1,830	1,689	845	
6	38,720	71,632	5,970	2,985	2,756	1,378	50,336	4,195	2,098	1,936	968	
7	43,670	80,790	6,733	3,367	3,108	1,554	56,771	4,731	2,366	2,184	1,092	
8	48,620	89,947	7,496	3,748	3,460	1,730	63,206	5,268	2,634	2,431	1,216	
For each add'I family												
member, add	4,950	9,158	764	382	353	177	6,435	537	269	248	124	
		•		HAW	All					•		
1	12,860	23,791	1,983	992	916	458	16,718	1,394	697	643	322	
2	17,410	32,209	2,685	1,343	1,239	620	22,633	1,887	944	871	436	
3	21,960	40,626	3,386	1,693	1,563	782	28,548	2,379	1,190	1,098	549	
4	26,510	49,044	4,087	2,044	1,887	944	34,463	2,872	1,436	1,326	663	
5	31,060	57,461	4,789	2,395	2,211	1,106	40,378	3,365	1,683	1,553	777	
6	35,610	65,879	5,490	2,745	2,534	1,267	46,293	3,858	1,929	1,781	891	
7	40,160	74,296	6,192	3,096	2,858	1,429	52,208	4,351	2,176	2,008	1,004	
8	44,710	82,714	6,893	3,447	3,182	1,591	58,123	4,844	2,422	2,236	1,118	
For each add'I family												
member, add	4.550	8.418	702	351	324	162	5.915	493	247	228	114	

AUTHORITY: 42 U.S.C. 1758(b)(1)

	March 19, 2012
Jeffrey J. Tribiano	Date
Acting Administrator	

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